

DEPOSITS (2012)

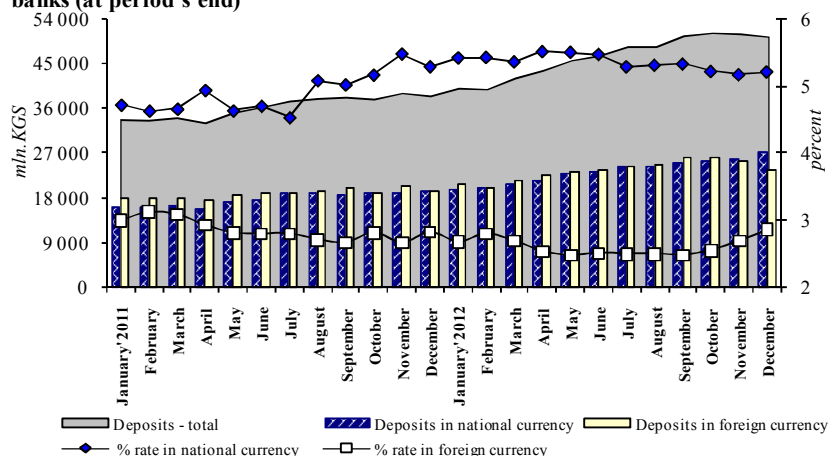
Generally, 2012 was characterized by an acceleration of the depositary base increase of the commercial banks in comparison with 2011, occurred against the background of prevailing increase rate of its KGS component.

The most significant contribution to the increase in the general rate of the depositary base was made the first three leading banks in the market, coupled ensured 68.9 percent of the total deposit increase in the period under review. Conducted policy of the banks, having sufficient liquidity, supported to maintain the size of the market rates of bank deposits at the level of values in 2011.

In the structural aspect, as the basis of the expansion of the depositary base of the banks were the increase in cash balances on settlement accounts of enterprises and the increase of demand deposits and fixed deposits of population.

At the end of 2012 the volume of the depositary base of the commercial banks amounted to KGS 50.7 billion, having increased from the beginning of the year by 31.0 percent. The increase was achieved by the growth in both foreign currency components of the depositary base by 22.4 percent, and by contributions in KGS by 39.5 percent (excluding the impact of KGS exchange rate the depositary base grew by 29.8 percent).

Graph 1. Dynamics of deposits of the operating commercial banks (at period's end)



Graph 2. Deposit structure by depositors

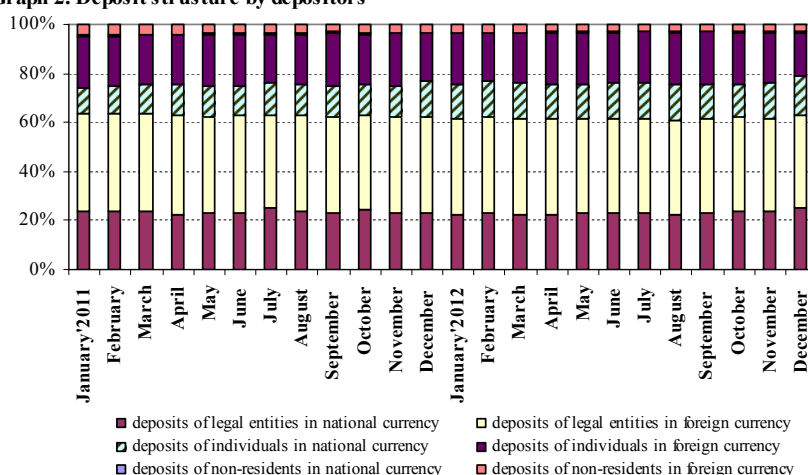


Table 1. Dynamics of deposits in the operating commercial banks

Period	Balance of deposits					accepted deposits				
	Total (ths.KGS)	In national currency		In foreign currency		Total (ths.KGS)	In national currency		In foreign currency	
		Volume (ths.KGS)	Rate (%)	Volume (ths.KGS)	Rate (%)		Volume (ths.KGS)	Rate (%)	Volume (ths.KGS)	Rate (%)
January 2012	40,216,565.4	19,390,990.2	5.4	20,825,575.2	2.7	15,541,023.2	7,176,265.3	2.0	8,364,757.9	0.8
February	40,008,706.2	19,904,894.5	5.4	20,103,811.7	2.8	16,955,350.4	8,493,410.3	2.3	8,461,940.1	0.8
March	42,242,058.6	20,707,237.5	5.4	21,534,821.1	2.7	17,424,527.5	9,099,666.9	2.1	8,324,860.6	0.8
April	43,849,732.6	21,287,440.6	5.5	22,562,292.0	2.5	18,015,662.3	8,992,696.3	2.4	9,022,966.0	0.7
May	45,840,247.6	22,619,239.2	5.5	23,221,008.4	2.5	21,100,784.2	10,776,628.6	2.2	10,324,155.6	0.6
June	46,817,583.3	23,209,282.7	5.5	23,608,300.6	2.5	20,149,355.7	10,471,825.0	2.2	9,677,530.7	0.8
July	48,640,716.9	24,168,827.4	5.3	24,471,889.5	2.5	22,892,873.8	11,936,905.8	2.4	10,955,968.0	0.7
August	48,627,666.2	24,014,173.4	5.3	24,613,492.8	2.5	18,520,371.1	9,712,474.5	2.5	8,807,896.6	0.9
September	50,832,769.3	24,833,027.1	5.3	25,999,742.2	2.5	19,629,279.4	9,852,959.4	2.6	9,776,320.0	0.8
October	51,428,636.0	25,294,593.1	5.2	26,134,042.9	2.5	20,287,247.9	9,963,249.2	2.3	10,323,998.7	0.7
November	51,183,308.1	25,628,277.5	5.2	25,555,030.6	2.7	20,038,688.6	10,105,681.7	2.5	9,933,006.9	0.9
December	50,651,325.6	26,927,600.1	5.2	23,723,725.5	2.9	21,988,790.1	12,305,798.5	2.6	9,682,991.6	0.9
Total for 2012	50,651,325.6	26,927,600.1	5.2	23,723,725.5	2.9	234,855,152.3	120,030,979.4	2.3	114,824,172.9	0.8
Change over a period	11,976,042.4	7,628,632.8	-0.1	4,347,409.6	0.0	31,685,415.5	24,944,878.6	0.1	6,740,536.3	0.0
Increase rate over a period	31.0%	39.5%		22.4%		15.6%	26.2%		6.2%	

Table 2. Change in the depositary base for January-December 2012 by term categories

thousand som

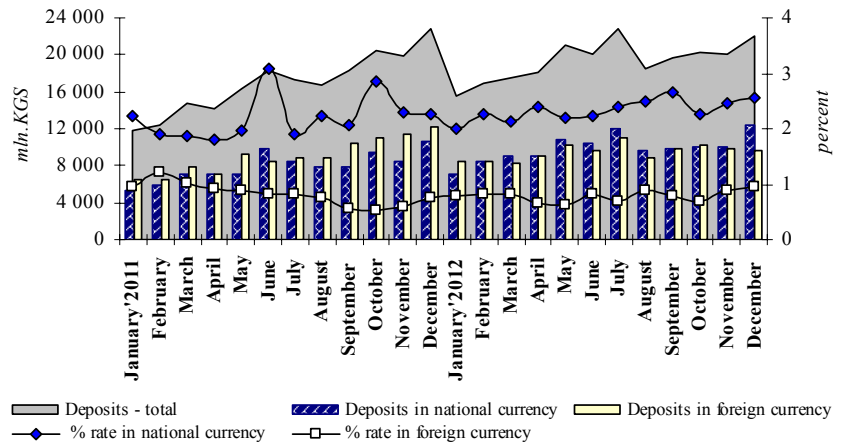
	TOTAL	Including							
		Settlement accounts	Demand	0 - 1 month	1 - 3 months	3 - 6 months	6 - 12 months	From 1 year to 3 years	More than 3 years
Overall change	11,976,042	5,088,386	3,119,561	344,765	349,391	1,231,520	1,410,187	1,239,806	-807,573
including:									
on deposits of individuals	5,590,407	82,792	2,256,868	208,377	550,712	660,449	1,219,427	543,738	68,045
in national currency	2,954,071	23,329	1,146,331	132,990	363,914	411,246	608,883	240,813	26,566
in foreign currency	2,636,336	59,462	1,110,537	75,388	186,798	249,203	610,544	302,925	41,480
on deposits of legal entities	6,000,194	4,936,699	735,911	175,277	-227,029	523,056	-5,494	738,934	-877,160
in national currency	4,580,361	3,555,850	431,593	47,438	-96,708	490,596	168,013	860,738	-877,160
in foreign currency	1,419,833	1,380,849	304,318	127,839	-130,321	32,460	-173,507	-121,804	0
on deposits of non-residents	385,442	68,896	126,782	-38,889	25,708	48,016	196,254	-42,866	1,542
in national currency	94,201	19,553	27,825	2,607	3,747	13,438	10,172	16,252	606
in foreign current	291,241	49,343	98,957	-41,497	21,961	34,577	186,082	-59,118	936

According to the annual results, the dollarization of the depositary base decreased by 3.3 percentage points to 46.8 percent, due to the higher increase rate of KGS deposits.

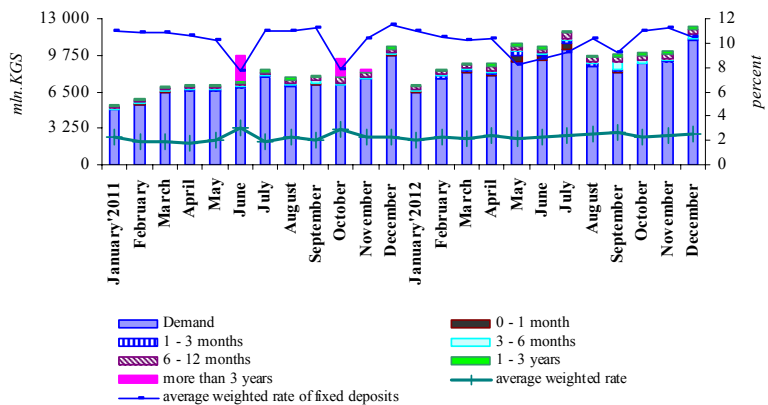
The share of deposits of population in the structure of the depositary base increased from 39.3 to 41.1 percent, which was mainly due to the relatively slower increase rates in balances of deposits of non-residents, as well as a notable outflow from settlement accounts of legal entities in November-December 2012 (Chart 2).

In 2012, during the temporal structure of the depositary base was a slight decrease in the time of resources involved: the share of funds in settlement accounts increased from 40.0 to 40.6 percent, of demand deposits – from 24.4 to 24.8 percent, while the share of fixed deposits in contrast decreased by 1.0 percentage points to 34.6 percent. The structure of fixed deposits changed to decrease the share of long-term deposits (over one year) by 1.7 percentage points to 9.2 percent in the general depositary base (or 26.5 percent in the volume of fixed deposits), while the share of short-term deposits increased by 0.7 percentage points to 25.5 percent. As a result, the duration of fixed deposits has fallen since the beginning of the year from

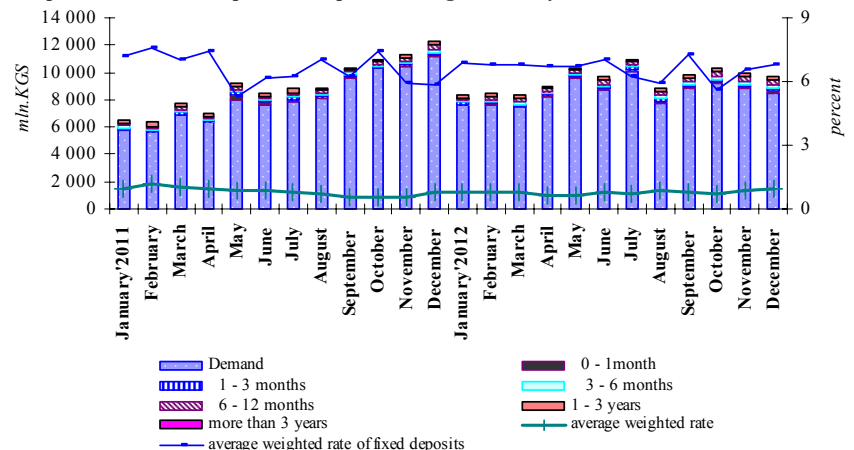
Graph 3. Dynamics of deposits, accepted by the commercial banks over a period



Graph 4. Structure of deposits, accepted in national currency



Graph 5. Structure of deposits, accepted in foreign currency



15.3 to 13.0 months, while the same figure for the entire depositary base decreased to 4.5 months (less one month).

Table 3. Change in the deposit flow for January-December 2012 in comparison with January-December 2011 by term categories

	TOTAL	Including						
		Demand	0 - 1 month	1 - 3 months	3 - 6 months	6 - 12 months	From 1 year to 3 years	More than 3 years
Overall change	31,685,416	29,420,382	1,619,389	1,079,532	1,507,018	1,771,009	181,688	-3,893,601
including:								
on deposits of individuals	18,588,708	15,903,632	161,701	551,106	606,814	1,009,886	323,633	31,936
in national currency	16,253,264	14,645,892	50,067	278,902	461,802	643,713	147,408	25,481
in foreign currency	2,335,444	1,257,740	111,634	272,204	145,012	366,173	176,225	6,455
on deposits of legal entities	13,502,050	14,055,769	1,423,940	489,994	892,516	721,224	-154,893	-3,926,501
in national currency	8,802,602	8,999,984	1,521,788	610,687	659,040	801,667	135,427	-3,925,991
in foreign currency	4,699,448	5,055,786	-97,848	-120,692	233,476	-80,443	-290,320	-510
on deposits of non-residents	-405,342	-539,020	33,747	38,432	7,689	39,899	12,948	964
in national currency	-110,987	-139,642	3,798	2,585	11,701	10,201	-117	486
in foreign currency	-294,355	-399,378	29,950	35,847	-4,012	29,698	13,064	478

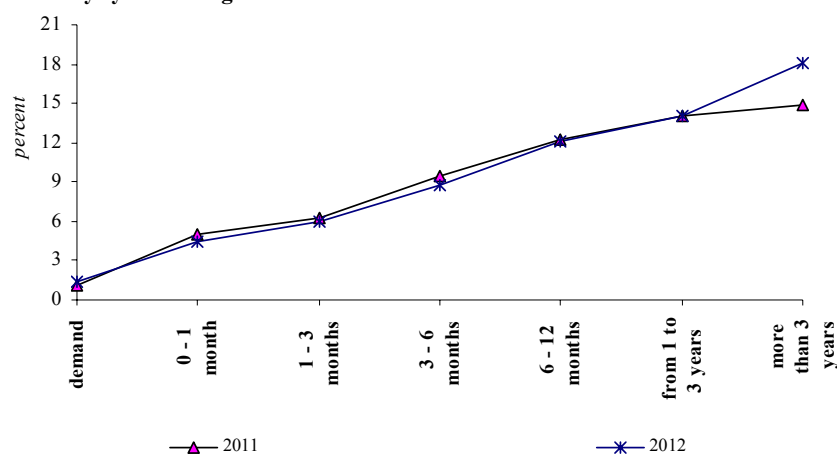
thousand som

Index of market concentration formed at 0.11 (at the beginning of the year it was 0.10), which corresponds to the average level of concentration, and is equivalent to the presence of the nine participants in the market with equal shares.

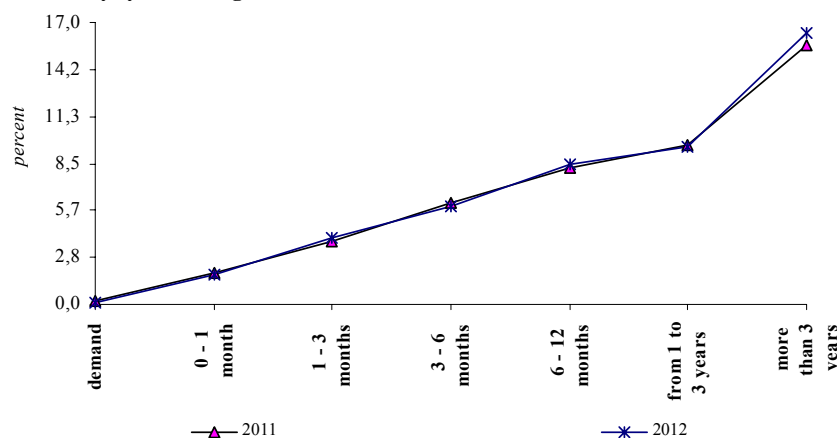
In this period, there was acceleration of the dynamics inflow of deposits in the commercial banks. In 2012 the volume of newly accepted deposits¹ constituted KGS 234.9 billion, increased in comparison with the same period of 2011 by 15.6 percent. The volume of newly accepted deposits in national currency amounted to KGS 120.0 billion (+26.2 percent), in foreign currency – in KGS 114.8 billion equivalent (+6.2 percent).

In the structural aspect, the increase of newly accepted deposits was primarily the increase rate of demand deposits, which increased during the period by 16.3 percent. The share of demand deposits increased from 88.9 to 89.4 percent with a proportional reduction in the share of fixed deposits due to the negative increase rate of

Graph 6. Average level of interest rates on new deposits in national currency by term categories



Graph 7. Average level of interest rates on new deposits in foreign currency by term categories



¹ In the volume of newly accepted deposits are not considered the settlement accounts of bank customers.

long-term component, in particular, deposits with a maturity of more than 3 years. As a result, the average duration of newly accepted deposits in comparison with 2011 decreased from 2.0 to 1.1 months, and the duration of fixed deposits decreased to 10.6 months (-7.6 months).

The weighted average interest rate on newly accepted deposits in national currency was 2.3 percent, increased in annual terms by 0.1 percentage points, due to increased interest rates on demand deposits in national currency from 1.2 to 1.4 percent in annual terms. The weighted average interest rate on fixed deposits in national currency constituted 10.0 percent (-0.3 percentage points).

In terms of the banks the average interest rates on newly accepted fixed deposits in national currency increased in 9 of the 23² operating commercial banks, in one of the banks rates remained at the level of the same period in 2011, and in other banks rates decreased. In 2012 the average value of the real interest rate on fixed deposits in national currency was 2.4 percent compared to 4.4 percent a year earlier, in particular, as a result of rising inflation to 7.5 percent (in 2011, increase of the general price level was 5.7 percent). Another reason for the decline acted as the monthly average nominal rate on fixed deposits in national currency and 10.0 percent (-0.3 percentage points), by maintaining a sufficient level of liquidity in the banking system as a whole for the period.

The rate on newly accepted deposits in foreign currency remained at the level of 2011, amounting to 0.8 percent, and the changes did not affect any segment of the corresponding indicator of demand deposits, nor its priority component. Thus, the weighted average interest rate on demand deposits in foreign currency constituted to the amount of 0.1 percent, on fixed deposits in foreign currency – 6.6 percent.

In terms of the banks the average interest rates on newly accepted fixed deposits in foreign currency increased in 6 of the 23 operating banks³, and the remaining commercial banks – rates decreased.

² In 2012, 4 banks of the number of operating have not attracted deposits in national currency (in 2011 – 3 banks).

³ In 2012, 6 banks of the number of operating have not attracted deposits in foreign currency (in 2011 – 6 banks).